



FEBRUARY 2022

4th Quarter 2021 Presentation

Category leader in the attractive underground infrastructure maintenance service market

NORVA²⁴

Today's presenters



**HENRIK
DAMGAARD**

Group CEO

PREVIOUS EXPERIENCE

- At Norva24 since 2018
- Previously COO (Denmark) at ISS, Director at JFM and CEO/Head of Division (Nordics) at Nestle



**STEIN
YNDESTAD**

Group CFO

PREVIOUS EXPERIENCE

- At Norva24 since 2017
- Previously CFO/COO at Adevinta and Country Manager Spain/Head of M&A/Head of IR at Schibsted



**STURE
STÖLEN**

Head of IR

PREVIOUS EXPERIENCE

- At Norva24 since March 2021
- Previously Head of IR at SAS and Arion Bank



Comprehensive, mission critical and non-discretionary service offering

Emptying services



Sewerage maintenance

Emptying and inspection of fat / oil separators, underground tanks and sand traps

Sludge drainage

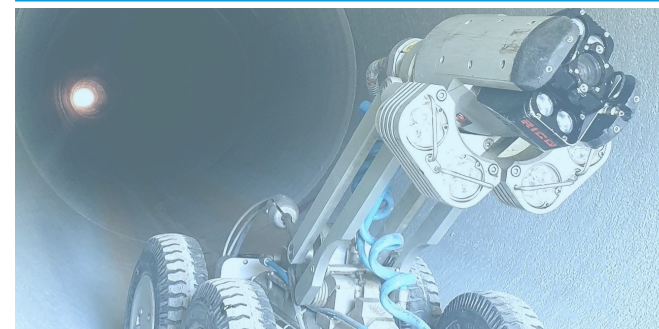
Pressure washing



Tank cleaning

High and ultra-high pressure washing

Pipe services



Sewerage maintenance

Pressure testing of pipes and pipe inspection

Pipe relining and point repair

Leak detection

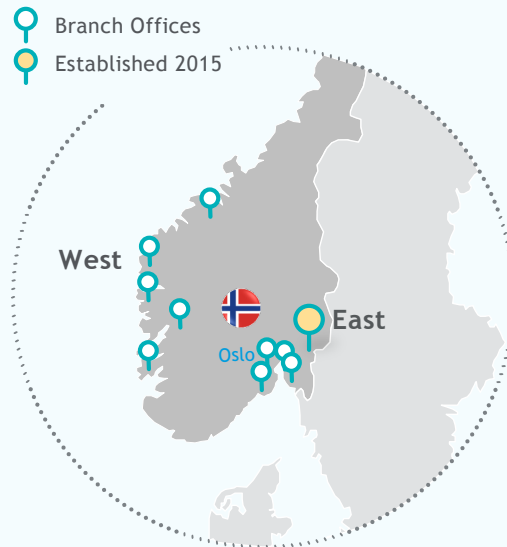
Pipe cleaning of clogged water and waste pipes



A normal job typically encompasses more than one service, leveraging similar capabilities and equipment
Local- and EU-level regulations require most services be conducted at regular intervals during the year

Norva24 has already evolved into a leading Northern European platform

Norwegian Origin (2015)



Revenue 2015⁽¹⁾: NOK 146m

10
Branches

~25k
Jobs
Completed p.a

233
Employees
(FTEs)

Norva24 foundation

Transformation

Professionalisation

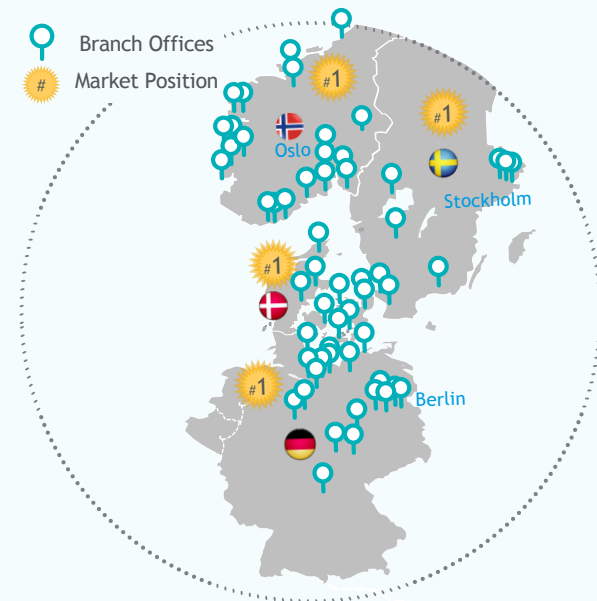
Geographic expansion

Digitalisation

Consolidation

Management
reinforcement

Leader in Northern Europe (Today)



Revenue 2021: NOK 2bn

66
Branches

~300k+
Jobs
Completed p.a

~1,450
Employees

Norva24 as market shaper

Strong quarter with solid growth both organic and acquired

Key takeaways from the quarter

- Total operating revenue amounted to NOK 588.9 million (445.7) **+32%**
 - Currency adjusted organic growth **+9.4%**
 - Growth from acquisitions **+27%**
 - Adjusted EBITA NOK 82 million **+30%**
-
- Norva24 Group listed on Nasdaq Stockholm Main List Dec 9
 - Strong balance sheet - NOK 900 million raised in IPO to enable continued acquisitive strong growth
 - No new acquisitions in the quarter due to the IPO process
 - Significant M&A pipeline
 - Expanding into German Rhein/ Ruhr metropolitan region, through the acquisition of Zimmerbeutel, signed in February 2022
 - Transportation cost affected 2021
 - Index price increases from January 1, 2022 driven by rising fuel and energy prices

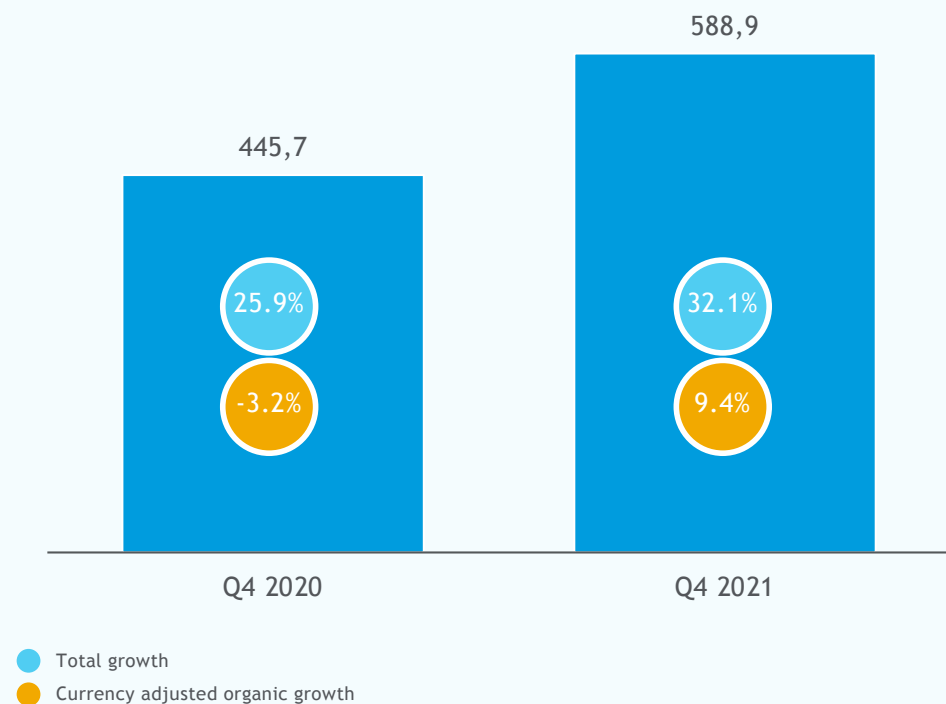


2021: **66 branches**

Very strong quarter in regards of both growth and adjusted EBITA

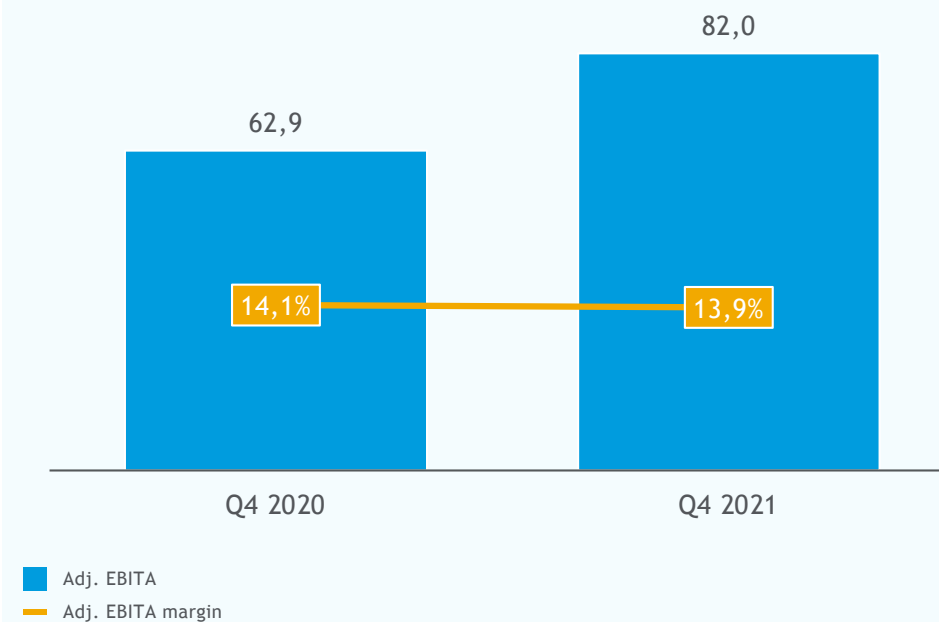
Operating revenue development

NOKm



Adj. EBITA development

NOKm



Summary of full Year 2021



Leading UIM operator in Northern Europe

Providing critical underground infrastructure maintenance services to municipalities, businesses and households



A-cyclical and COVID-resilient industry



Proven consolidation engine with European vision



ESG early mover



Digital disruptor



Good organic and M&A growth and margins



Key Financials

2021 vs 2020

NOK 2,025m (+33%)

Revenue

NOK 258m

Adj. EBITA

12.7%
margin

+3.3%

Currency adjusted organic growth

+32%

Acquired growth

7

Completed acquisitions

NOK +350m

Added Annual Revenues

1.7x (3.5x)

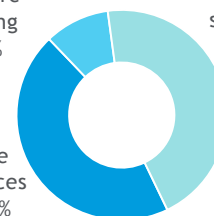
Net debt / LTM adjusted EBITDA

Intertwined service offering 2021

Pressure
washing
~10%

Emptying
services
~45%

Pipe
services
~45%



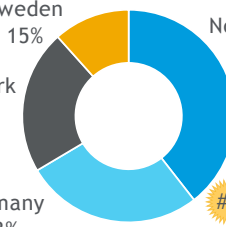
Established Northern European presence 2021

Sweden
15%

Norway
40%

Denmark
13%

Germany
32%



#1
Leader in EUR 4bn market

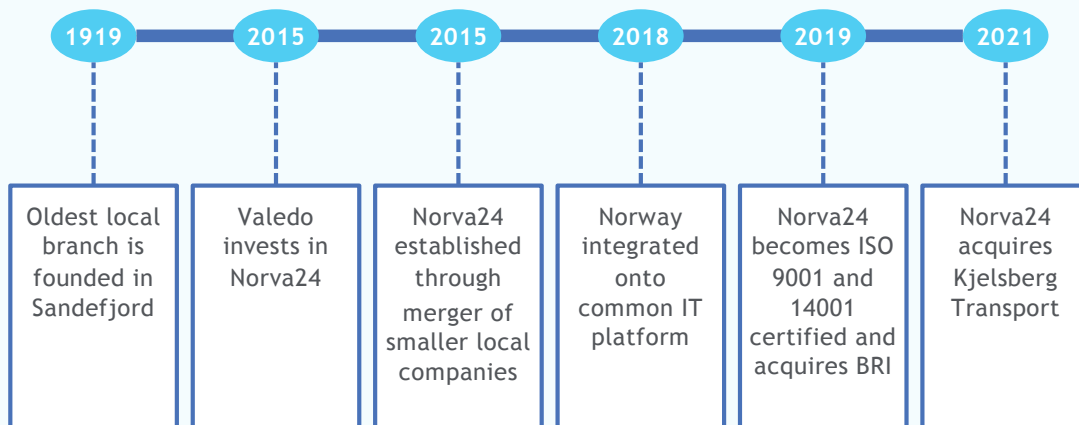
Overview Norway - #1 player



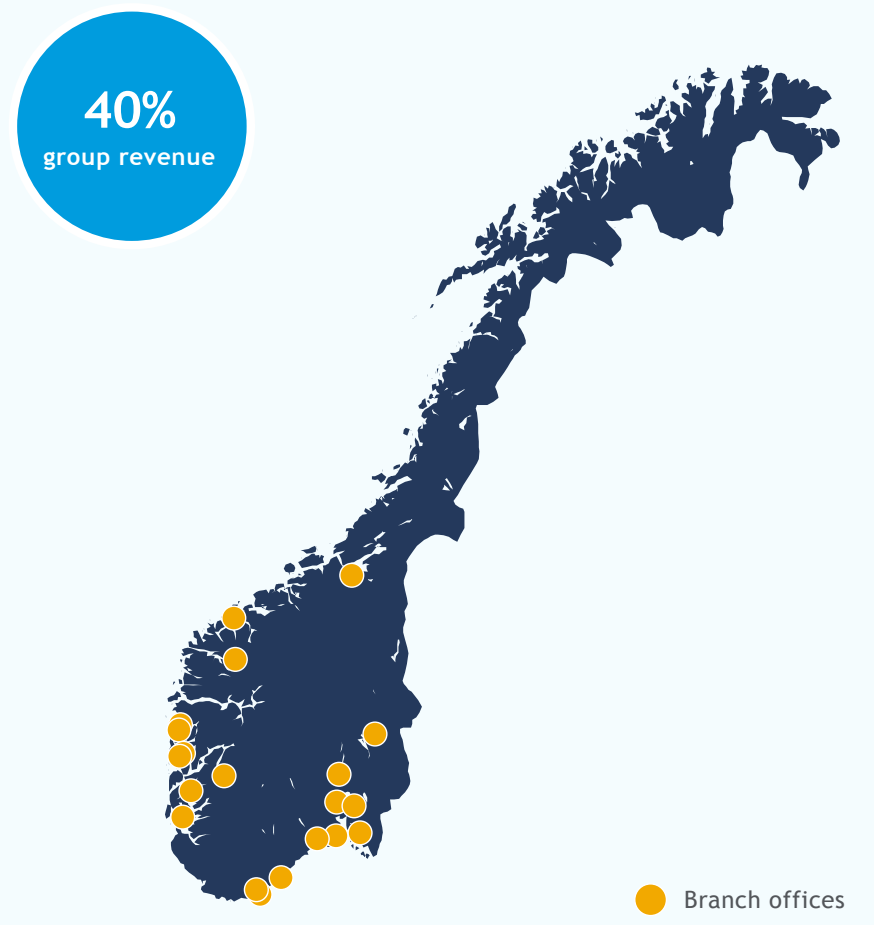
Key facts

1919	Year of establishment in Sandefjord		
#1	Market position	c.220	Operating vehicles
~26%	Market share	c.515	Employees
20	Branches	15	Acquisitions

History



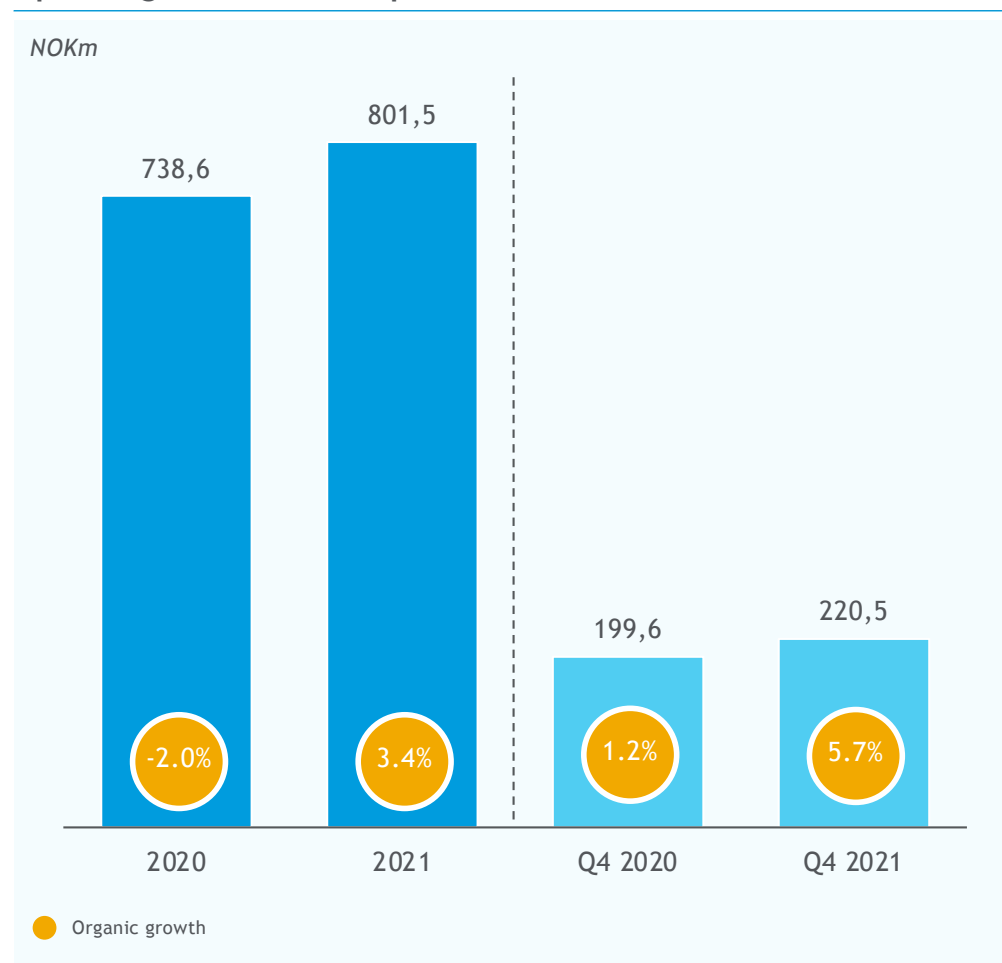
Geographical footprint



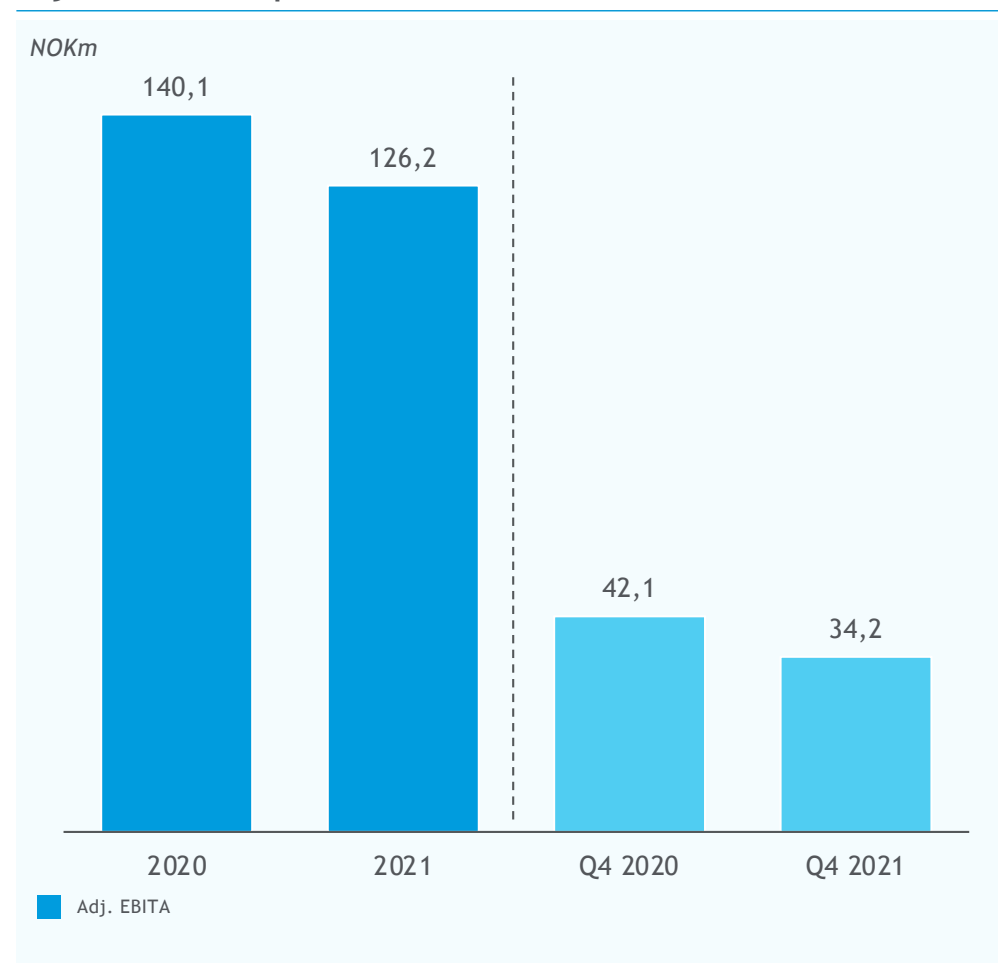
Healthy organic and acquisition growth



Operating revenue development



Adj. EBITA development



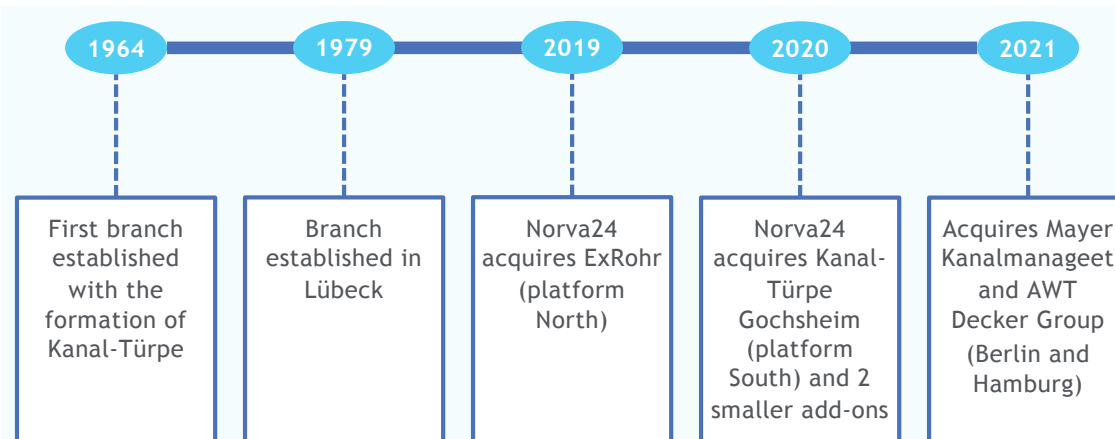
Overview Germany - #1 player



Key facts

1964	Year of establishment of Kanal-Türpe		
#1	Market position	c.300	Operating vehicles
~3%	Market share	c.550	Employees
21	Branches	6	Acquisitions

History

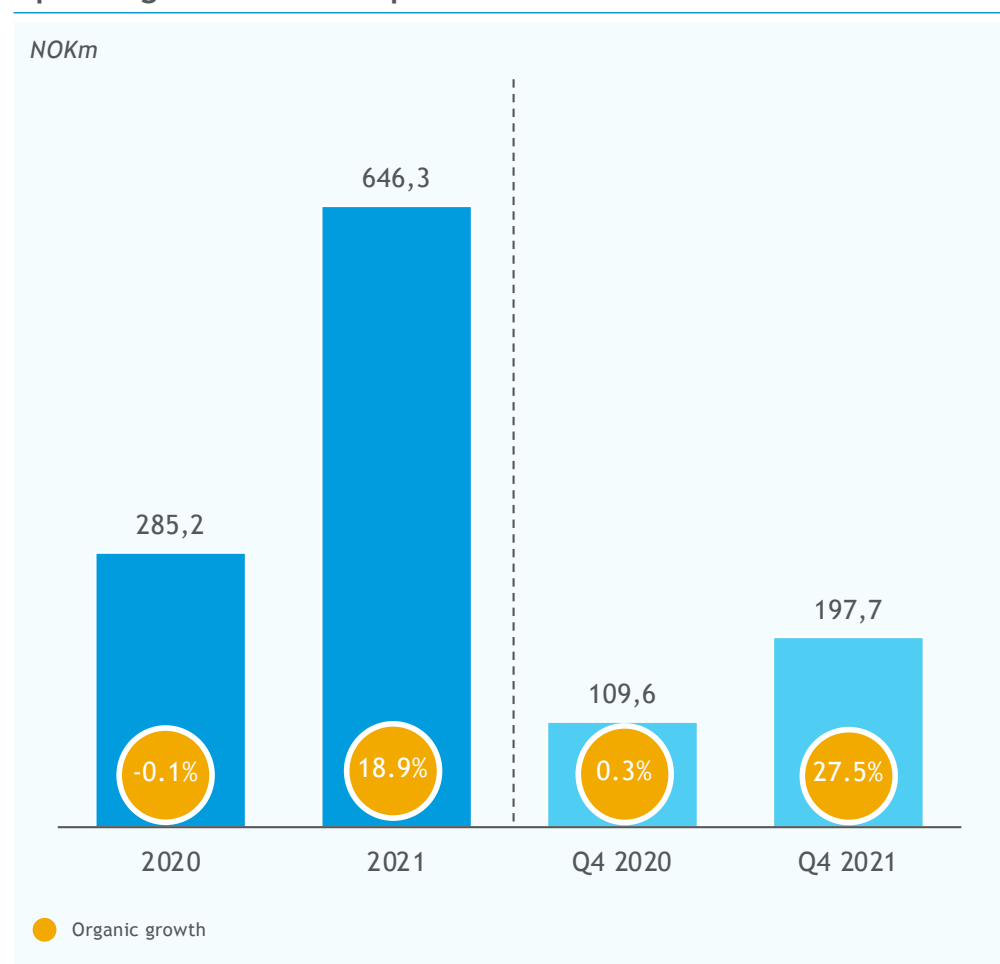


Geographical footprint

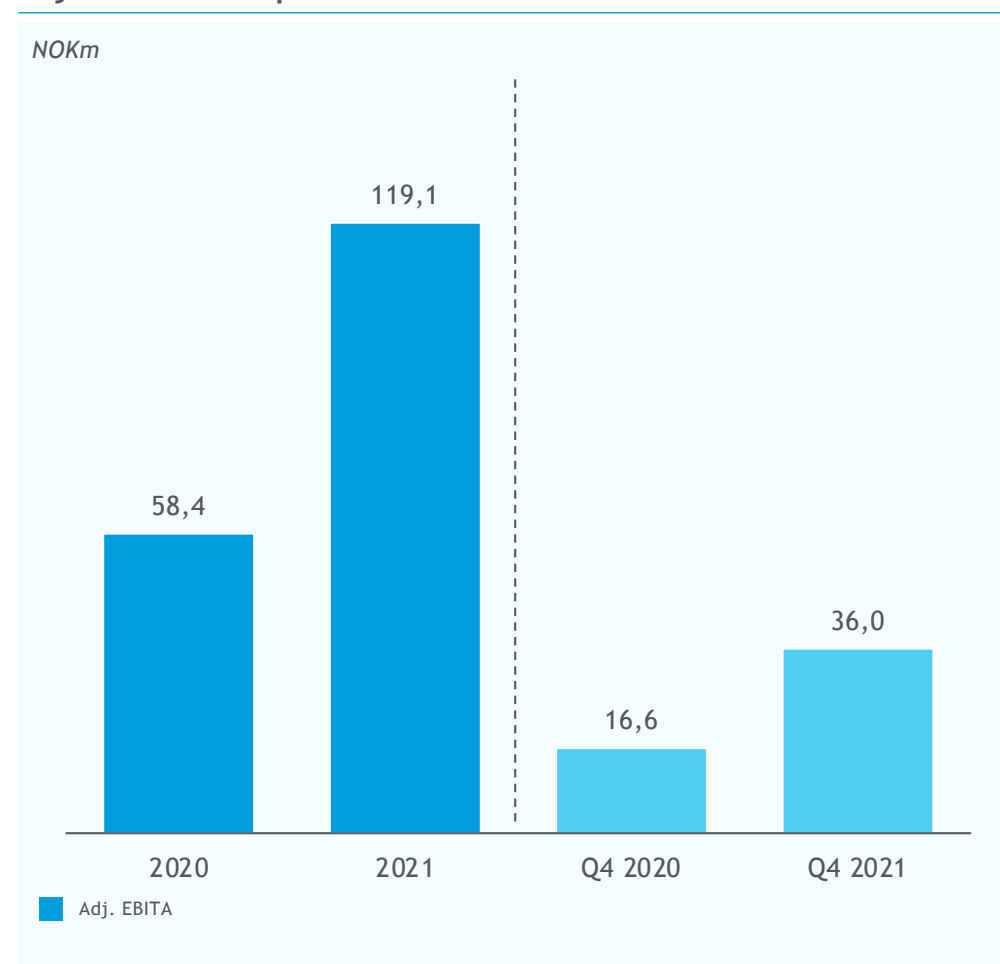


Strong organic growth and several strategically important acquisitions

Operating revenue development



Adj. EBITA development



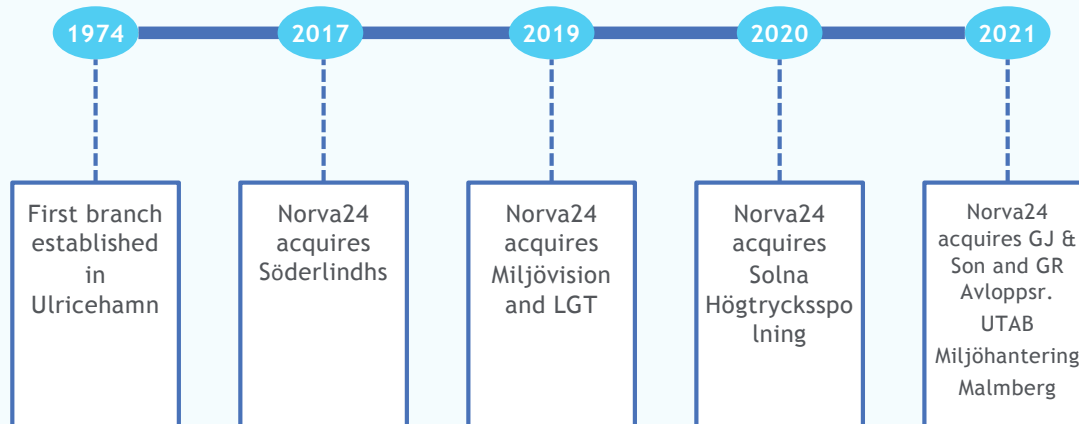
Overview Sweden - #1 player



Key facts

1974	Year of establishment in Stockholm		
#1	Market position	c.160	Operating vehicles ⁽
~5%	Market share	c.230	Employees
16	Branches	8	Acquisitions

History



Geographical footprint



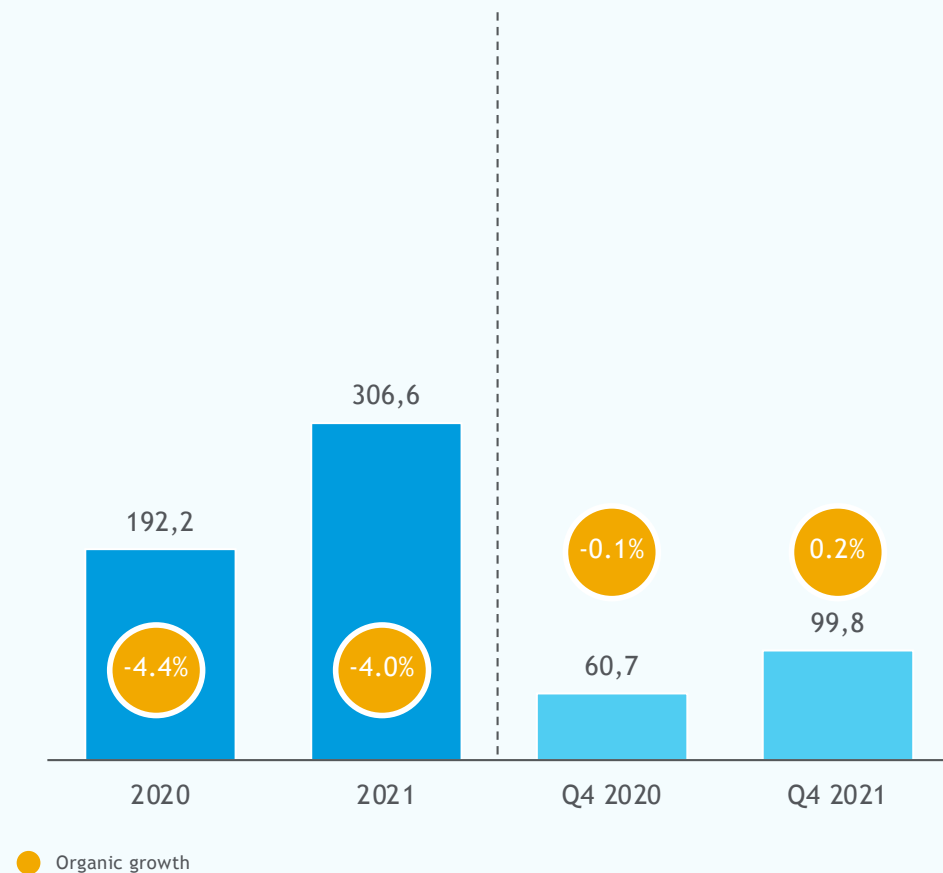
● Branch offices

Positive growth through acquisitions



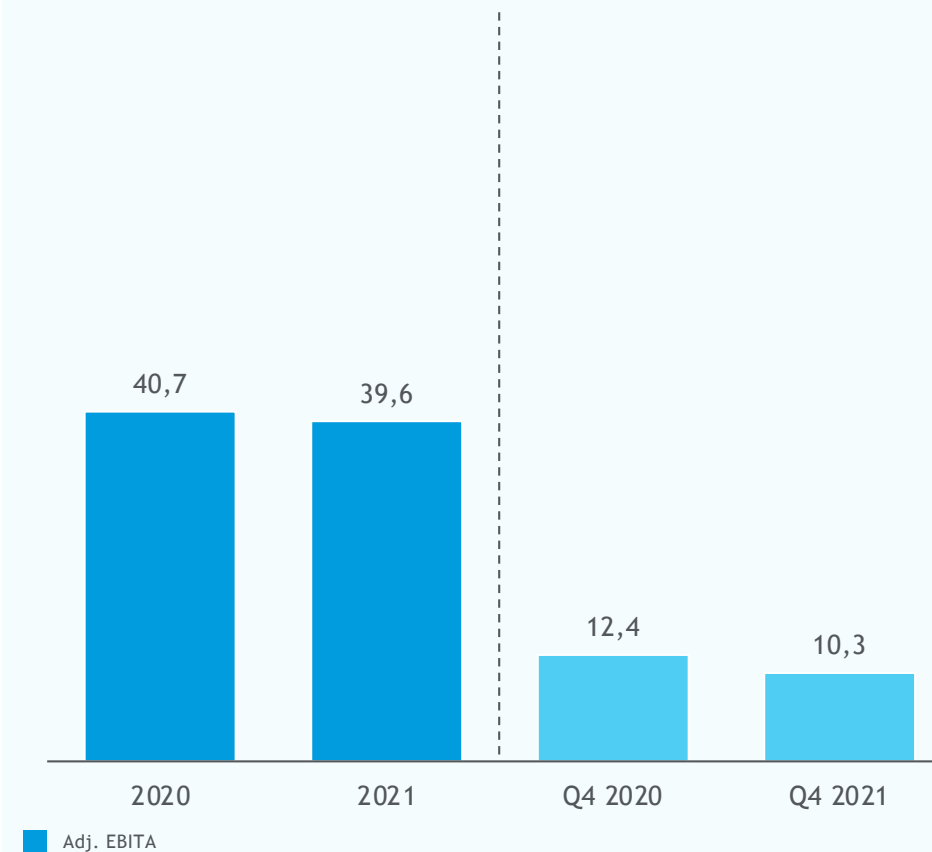
Operating revenue development

NOKm



Adj. EBITA development

NOKm



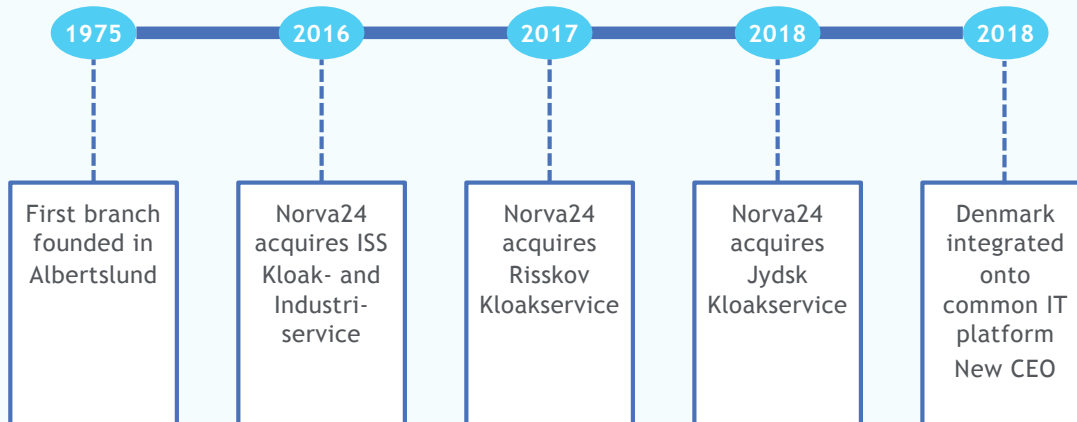
Overview Denmark - #1 player



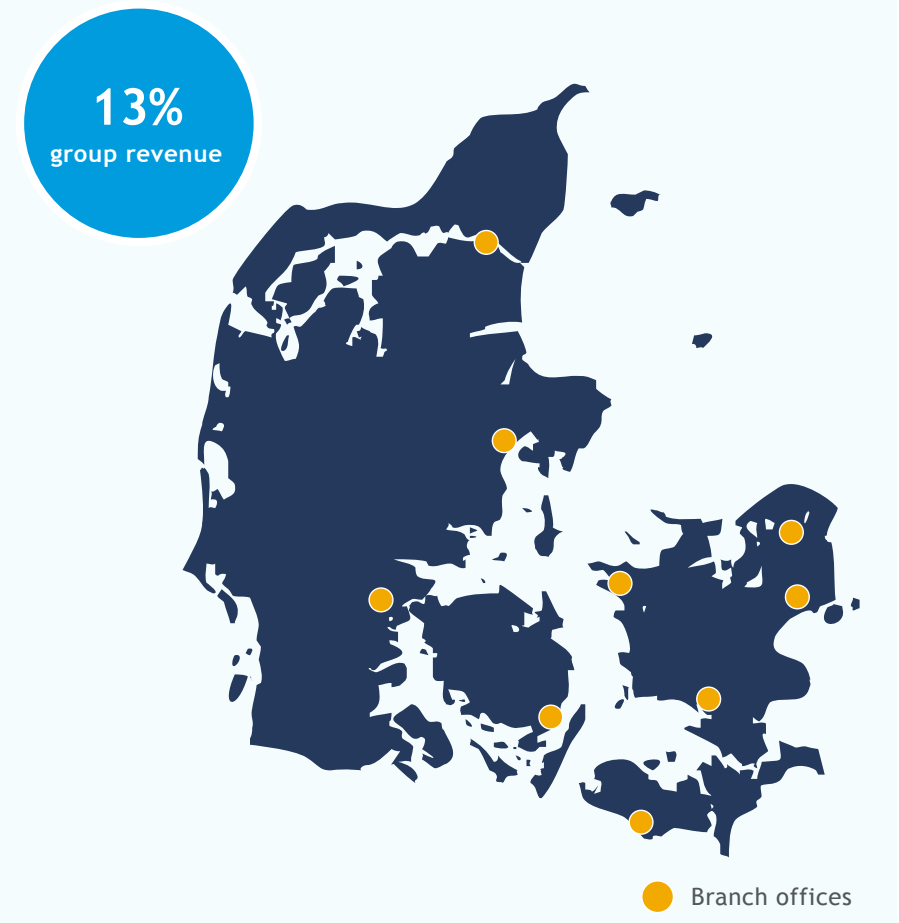
Key facts

1975	Year of establishment in Albertslund		
#1	Market position	c.110	Operating vehicles
~10%	Market share	c.160	Employees
9	Branches	3	Acquisitions

History



Geographical footprint

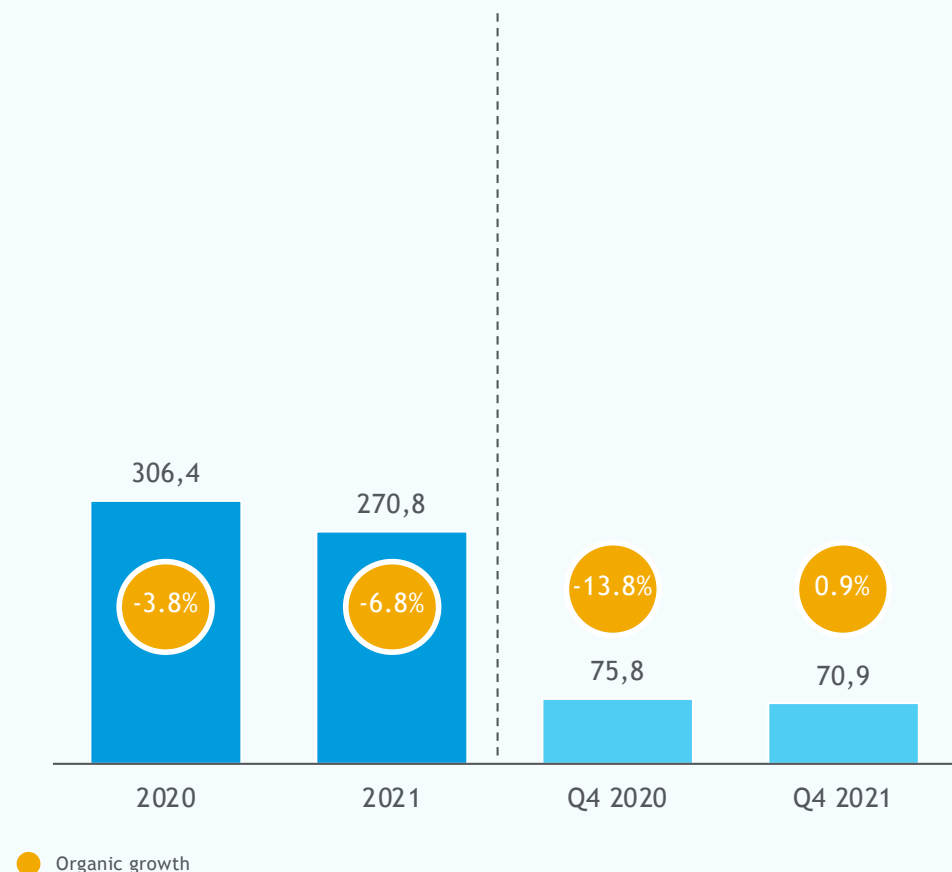


Positive EBITA and continued signs of improvement in Q4



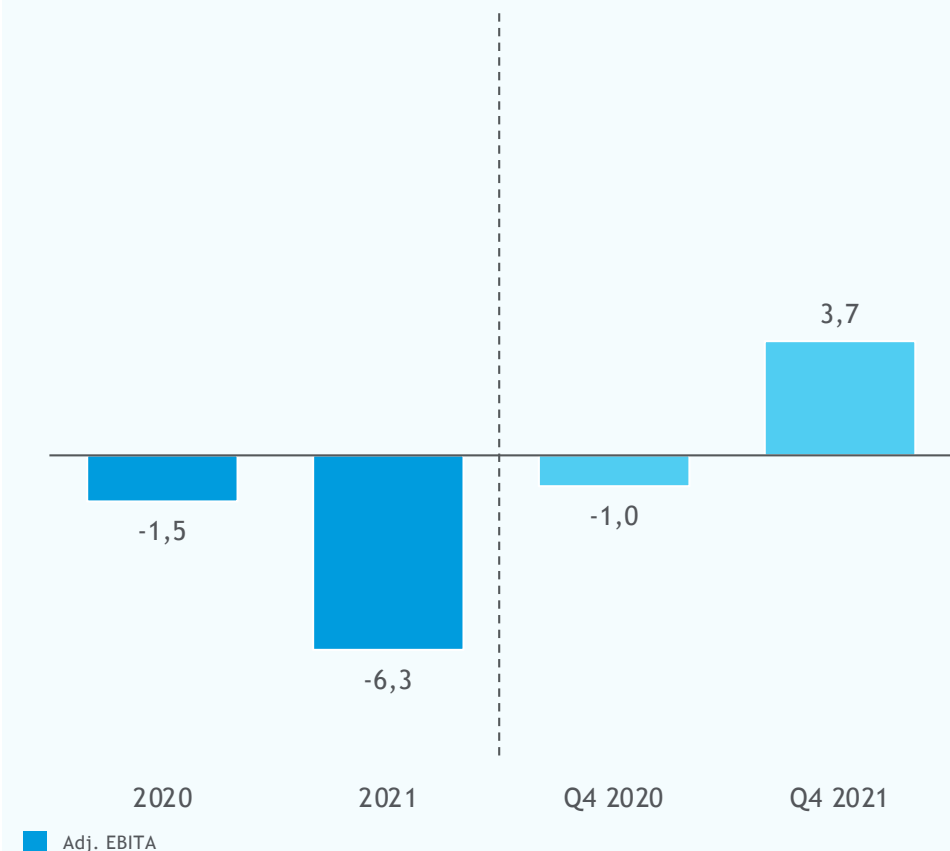
Operating revenue development

NOKm



Adj. EBITA development

NOKm



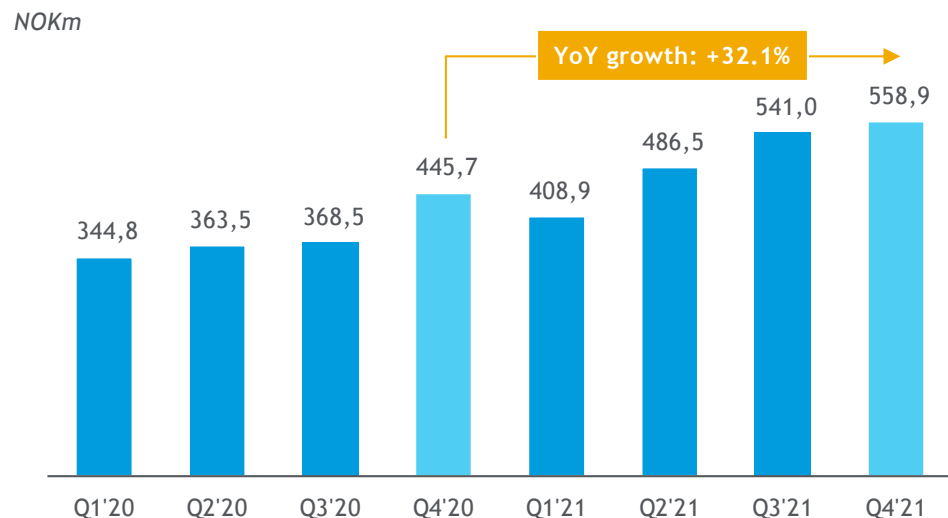
Income statement

Non recurring items related to IPO and increased transportation cost affect operating expenses

Oct-Dec 2021	Oct-Dec 2020	Growth Q4 2021	CONSOLIDATED STATEMENT OF PROFIT OR LOSS NOK million	Jan-Dec 2021	Jan-Dec 2020	Growth 2021
583,6	444,0	31,4 %	Revenue from customer contracts	2 006,3	1 512,4	32,7 %
5,3	1,7		Other operating income	19,0	10,1	
588,9	445,7	32,1 %	Total operating revenue	2 025,2	1 522,5	33,0 %
			Operating expenses			
-66,8	-58,9	13,5 %	Operational service expenses	-220,4	-173,7	26,8 %
-251,4	-191,5	31,3 %	Personnel expenses	-879,3	-672,6	30,7 %
-88,2	-46,2	90,9 %	Vehicle operating expenses	-288,1	-191,1	50,8 %
-86,6	-53,5	61,6 %	Other operating expenses	-246,7	-143,3	72,1 %
40,3	-		Other gains	40,3	-	
-452,7	-350,2	29,3 %	Total operating expenses	-1 594,2	-1 180,8	35,0 %
136,2	95,6	42,5 %	Earnings before interest, taxes, depreciation and amortization (EBITDA)	431,0	341,8	26,1 %
82,8	52,4	58,1 %	Earnings before interest, taxes and amortization (EBITA)	221,5	196,2	12,9 %
75,6	46,9	61,2 %	Earnings before interest and taxes (EBIT)	193,5	179,2	8,0 %
-48,0	-15,6	208,5 %	Net financial items	-113,4	-33,9	234,7 %
27,5	31,3	-12,1 %	Profit before income tax	80,2	145,3	-44,8 %
23,1	-18,3	-225,9 %	Income tax expense	5,8	-33,3	-117,4 %
50,7	13,0	290,6 %	Profit for the period	86,0	112,0	-23,3 %
82,0	62,9	30,5 %	Adjusted EBITA	257,7	211,9	21,6 %
13,9 %	14,1 %	-0,2 %	Adjusted EBITA margin, %	12,7 %	13,9 %	-1,2 %

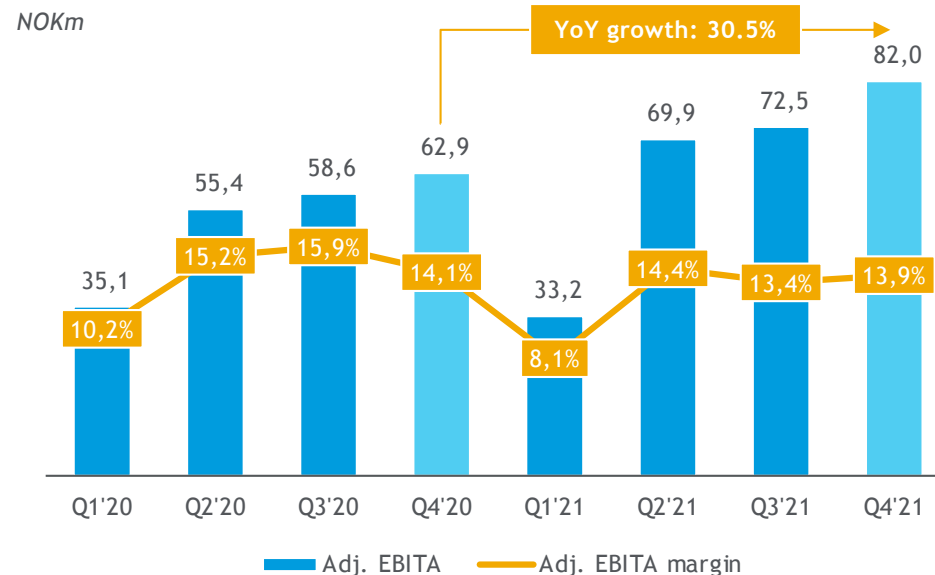
Continued strong quarterly revenue and adjusted EBITA growth

Quarterly operating revenue development



- Organic growth of 5.2% with a currency adjusted organic growth of 9.4%, above market growth - implying market share gains
 - 26.6% acquired growth
- Full year corresponding to a total growth of 33%, currency adjusted organic growth of 3.3%, with effects from COVID-19 significantly decreasing

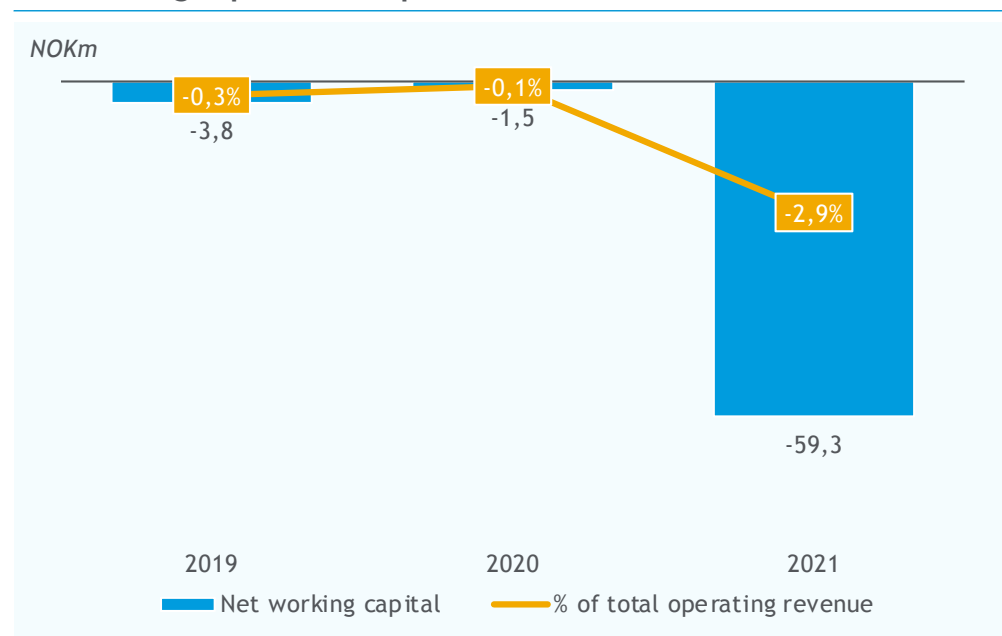
Quarterly adj. EBITA development



- Adj. EBITA growth driven by acquisitions in Norway, Germany and Sweden
- Margin decrease compared to 2020 due to:
 - Lower margin profile in acquired companies
 - Transportation cost (fuel etc.) not compensated in 2021, index regulated Jan 1, 2022
 - Increased depreciation of fleet and equipment in acquired companies
 - Delayed projects in Norway due to Covid-19
- Seasonality: As previously communicated, Q2 and Q4 tend to be the strongest quarters

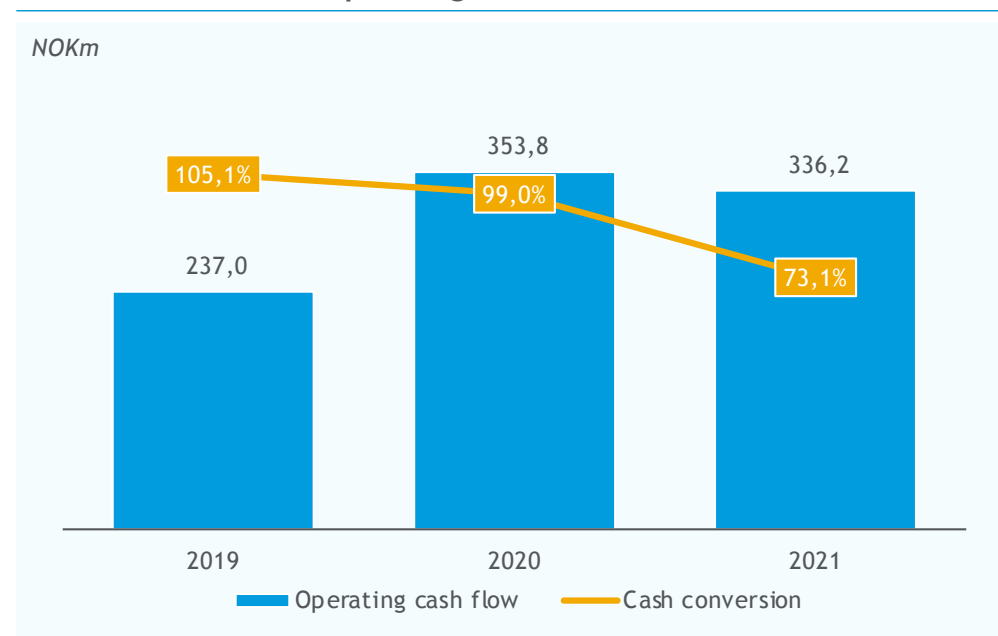
Stable cash conversion when excluding IPO cost

Net working capital development



NOKm	2019	2020	2021
Inventories	1.8	2.7	10.8
Accounts receivables	192.7	238.8	281.4
Other receivables	18.8	60.8	171.2
Accounts payables	-83.5	-86.5	-144.2
Other liabilities	-133.7	-217.3	-378.6
Net working capital	-3.8	-1.5	-59.3
<i>% of total operating revenue</i>	<i>-0.3%</i>	<i>-0.1%</i>	<i>-2.9%</i>
Change in NWC	-20.8	2.3	57.8

Net cash inflow from operating activities and cash conversion



NOKm	2019	2020	2021
Adjusted EBITDA	249.1	357.5	461.8
Net cash inflow from operating activities	237.0	353.8	337.4
Cash conversion	105.1%	99.0%	73.1%

Strong balance sheet and set for continued growth

Comments

- After the IPO, the Company has refinanced its current outstanding debt in order to have a capital structure more suitable for the public domain
 - **NOK 900m in proceeds from IPO**
 - **New facility includes a M&A RCF (NOK 1.1bn) and a leasing facility (NOK 400m)**
- Net debt of NOK 764m in Q4'21, representing a Net debt / Adj. EBITDA of 1.7x.
 - Over time, the Company targets a Net debt / Adj. EBITDA ratio not exceeding 2.5x, subject to flexibility for acquisitions

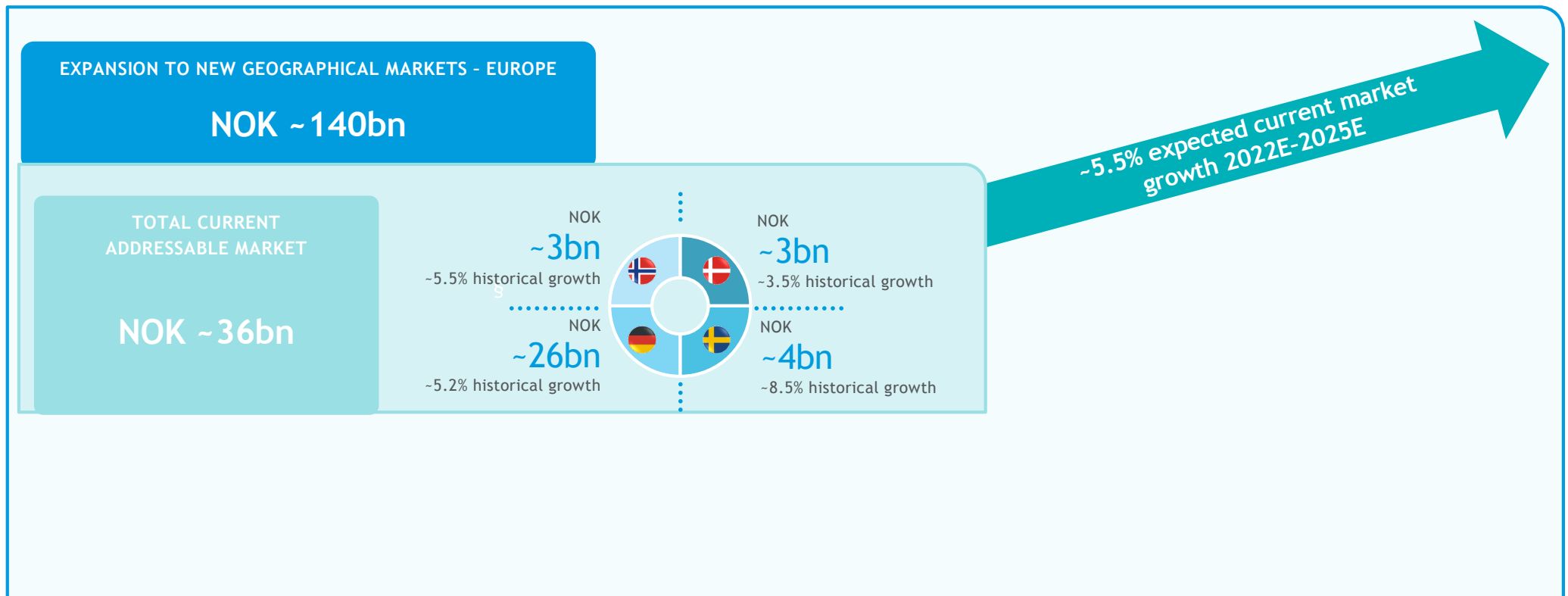
- A. Goodwill amounted to NOK 1222.6m as of 31 December 2021, and derive from acquisitions
- B. Right-of-use assets referring to financial and operational leasing
- C. PPE primarily referring to equipment used in the operational business
- D. Non-current loan primarily refers to bank loans

Balance sheet highlights

NOKm	NOT E	31 December	
		2021	2020
ASSETS			
Goodwill	A	1,222.6	1,070.8
Intangible assets		120.4	108.9
Right-of-use assets	B	724.3	599.4
Property, plant and equipment	C	429,3	276.5
Investment in shares		1,3	1.1
Other non-current receivables		3.5	4.6
Total non-current assets		2,501.3	2,061.3
Inventories		10.8	2.7
Accounts receivable		281.4	238.8
Other current receivables		171.2	60.8
Cash and cash-equivalents		260.4	180.9
Total current assets		723.8	483.3
TOTAL ASSETS		3,225.1	2,544.5
EQUITY AND LIABILITIES			
Equity		1,619.6	688.0
Deferred tax liability		21.2	48.2
Non-current lease liabilities		543.1	425.6
Non-current loans	D	264.1	768.8
Other non-current liabilities		12.2	46.7
Total non-current liabilities		840.7	1,289.2
Accounts payable		144.2	86.5
Taxes payable		25.3	31.3
Current portion of lease liabilities		155.5	130.8
Current portion of loans		61.2	101.3
Other current liabilities		378.6	217.3
Total current liabilities		764.8	567.3
TOTAL EQUITY AND LIABILITIES		3,225.1	2,544.5
Net debt ⁽¹⁾		763.6	1,245.6
Net debt / Adj. EBITDA		1.7x	3.5x



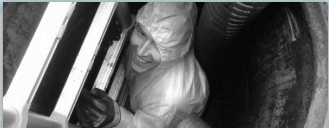

Our total addressable market is growing and estimated to NOK 140 billion

Total market opportunity for Europe: outsourced only



M&A momentum - seven acquisitions in 2021 before “IPO pause”

Two acquisitions closed during the first quarter

			Consolidated	Region	Annual Revenue
Kjelsberg		Kjelsberg Transport expands our reach into Trondheim, and increases coverage for national customers with presence in the Trøndelag region	Closed in Q1'21		NOK 38m ⁽
GJ & Son		GJ & Son provides us a greater opportunity to increase market share in southern Sweden and in southern Sweden and towards the Gothenburg area on the west coast	Closed in Q1'21		NOK 27m




Five acquisitions closed during the second quarter

Mayer Kanalmanagement		Significantly strengthens our position in eastern Germany and especially the Greater Berlin area with a full offering across UIM services, strong resources and technology	Closed in Q2'21		NOK 106m
GR Avloppsrensning		GR Avloppsrensning fortifies our market position in the Stockholm area of Sweden and improves density	Closed in Q2'21		NOK 18m
Malmberg Miljöhantering		With the acquisition of Malmberg Miljöhantering, we enter the Småland region and grow our presence in the Skåne region in Sweden	Closed in Q2'21		NOK 53m
AWT Decker		The acquisition further strengthens Norva24's leading position in the northern part of Germany and improves density	Closed in Q2'21		NOK 62m
UTAB		UTAB has a strong local position in the Karlstad area in the middle of Sweden, as well as modern vehicle fleet and an offering in all of our key services	Closed in Q2'21		NOK 51m

After “IPO pause” - M&A activities set to significantly increase

Group revenue and number of transactions ¹⁾

>90% of acquisitions were bilateral
out of a total of 33 since 2015

-  Platform acquisitions
-  Market entry
-  Bolt-ons



Statutory group revenue (NOKm)

2015	2016	2017	2018	2019	2020	2021	2022
146	512	902	1,004	1,287	1,523	2,025	

Rich potential M&A pipeline



1) Sorted to years according to signing date

ESG early mover with a strong green vision

ESG is core to Norva24 operations

ENVIRONMENTAL RESPONSIBILITY

Innovating in the area of green services

Reducing energy consumption

Route optimisation

Environmentally classified fleet



SOCIALLY RESPONSIBLE AND INCLUSIVE CULTURE

Employee engagement

Training and clear career pathways

Special needs and youth employment



EFFICIENT QUALITY MANAGEMENT

Focus on quality, health and work safety

Mobile platform for QHSE management

ISO certifications



ENABLING UN SUSTAINABLE DEVELOPMENT GOALS



- Strategic focus
- UIM-driven goal



- Strategic focus
- Differentiator vs. peers



- Large contributor to a sustainable society
- Embedded in business model



- Norva24 is a front-runner taking climate actions
- Business model is supporting this goal

BENEFITS OF BEING AN ESG EARLY MOVER

✓ Contract wins and barriers to entry



✓ Premium pricing



✓ Increased quality and efficiency of work



✓ Supporting local society, business and youth



✓ Attracting and retaining quality talent



Norva24 key goals

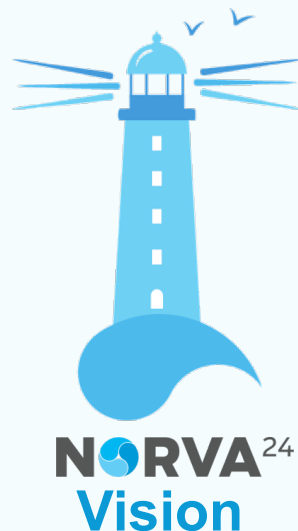
Well capitalized - on track to deliver on financial targets

		2021	Q4'21	Medium term financial targets
Operating revenue growth	Organic growth	3.3%	9.4%	Target to achieve revenue of around NOK 4.5bn by 2025 while achieving an average organic growth ⁽¹⁾ per annum of at least in line with market growth
	Total growth	33.0%	32.1%	
Profitability		12.7%	13.9%	Target to achieve an adjusted EBITA margin ⁽³⁾ of 14-15% in the medium term
Capital structure		1.7x	1.7x	Norva24's capital structure shall enable a high degree of financial flexibility and allow for acquisitions. Target steady state net debt ratio ⁽⁴⁾ (including IFRS16 lease liabilities) of 2.5x adj. EBITDA⁽¹⁾ for the last 12 months, temporary increase for M&A
Dividend policy		-	-	As a part of Norva24's vision and strategy, it intends to reinvest cash flows into growth and expansion initiatives, including acquisitions, and as such does not expect to pay annual dividends to its shareholders in the medium term

Our vision and journey as the foremost consolidator in the European UIM market

Norva24 vision

“Our long-term vision is to build a *European market leader and lighthouse* in Underground Infrastructure Maintenance (UIM). Norva24’s vision is to become *the leading European operator* in our industry and *an inspiration to the UIM industry development in Europe*”

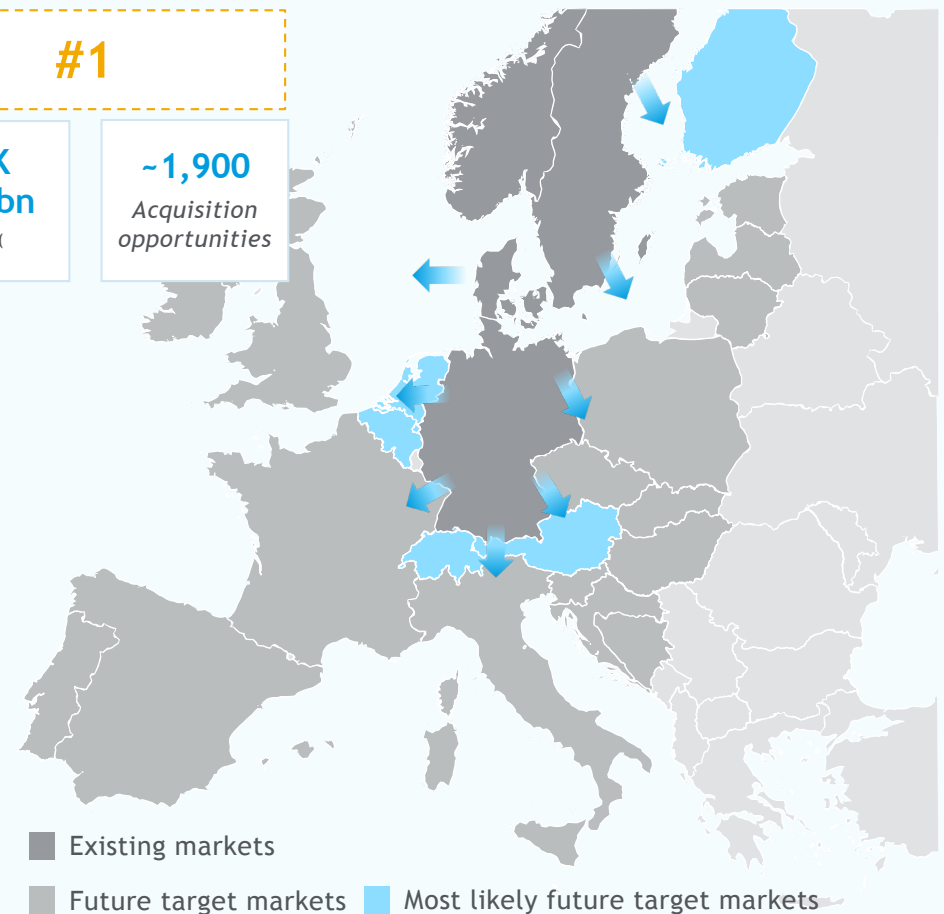


Clear European market leader (Illustrative vision)

#1

NOK
~140bn
TAM⁽

~1,900
Acquisition
opportunities





Q & A